

GAS FLARING

December 9, 2015

| Company | Wells Flaring over 100 | Wells Flaring over 100 w/o Exception | Current Exceptions (over 100) | Exception Requests | Wells over 100 Hooked to Pipeline |
|-----------------|---------------------------|--|-------------------------------------|-----------------------|---|
| Continental | 1 | 0 | 1 | 0 | 1 |
| EOG Resources | 2 | 0 | 2 | 0 | 0 |
| Kraken | 2 | 0 | 2 | 0 | 0 |
| Oasis Petroleum | 1 | 1 | 0 | 1 | 0 |
| Petro-Hunt | 3 | 0 | 3 | 0 | 0 |
| Whiting | 14 | 0 | 14 | 0 | 0 |
| XTO | 1 | 0 | 1 | 0 | 0 |
| Totals | 24 | 1 | 23 | 1 | 1 |

Flaring Requests

Summary

There are 24 wells flaring over 100 MCFG per day based on current production numbers.

23 of the 24 wells have approved exceptions due to distance, pipeline access issues, or time to connection.

There is one exceptions requested at this time.

Oasis

Dad Frye 2758 24-32B – API #25-085-21965, 27N-58E-32 – *Approved 6 months*

1. Flaring 170 MCF/D. First exception request.
2. Completed: 5/2015.
3. Estimated gas reserves: 4.12 BCF.
4. Proximity to market: 4 miles to Hiland, <1 mile to Oneok (Currently dedicated to Hiland).
5. Estimated gas price at market: ~\$2.20/MCF.
6. Estimated cost of marketing the gas: Over \$1 million to connect to Hiland.
7. Flaring alternatives: None.
8. Amount of gas used in lease operations: 51 MCF/D.
9. Justification to flare: Currently dedicated to Hiland, however, to date Hiland has refused to connect this well. Oneok is currently reviewing their gathering and processing capacities. If they have sufficient capacity to gather gas, Oneok will submit a commercial proposal to Oasis for consideration.